Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

April 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth through investment in emerging market shares and to outperform the MSCI Emerging Markets Net Total Return Index (AUD) (before fees and taxes) over a full market cycle, typically five-years.

FUND BENEFITS

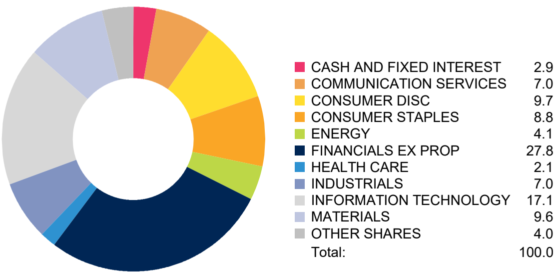
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return to fair valuation.

FUND RISKS

All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

Benchmark:	MSCI Emerging Markets Net Total Return (AUD)
Investment Manager:	Barrow, Hanley, Mewhinney & Strauss, LLC
Inception Date:	October 2022
Size of Portfolio:	$1.80 million as at 31 Mar 2025
APIR:	PER6134AU
Management Fee:	0.99%*
Investment style:	Emerging Markets
Suggested minimum investment period:	Seven years or longer

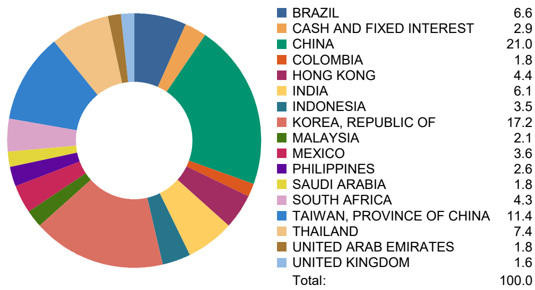
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Mediatek Inc.	4.2%
SK hynix Inc.	3.9%
Samsung Electro-Mechanics Co., Ltd	3.0%
UPL Limited	2.7%
Ping An Insurance (Group) Company of China	2.5%

PORTFOLIO COUNTRIES

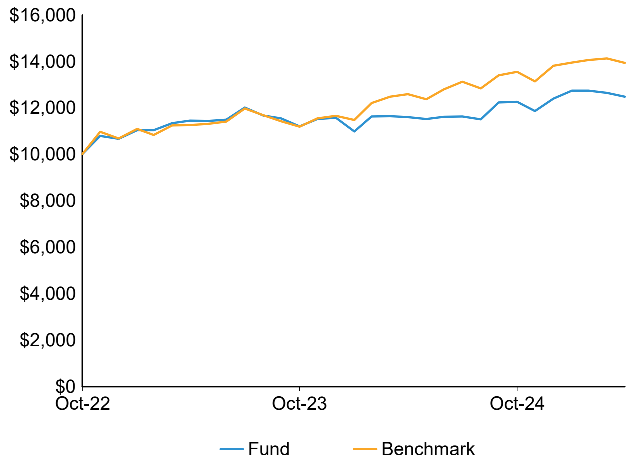


NET PERFORMANCE - periods ending 30 April 2025

	Fund	Benchmark	Excess
1 month	-1.23	-1.33	+0.10
3 months	-2.00	-0.13	-1.87
1 year	7.67	10.64	-2.97
2 year p.a.	4.44	11.23	-6.79
3 year p.a.	-	-	-
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	9.07	13.06	-3.99

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

GROWTH OF $10,000 SINCE INCEPTION



*Information on Management Costs (including estimated indirect costs) and a full description of the Fund's performance fee is set out in the Fund's PDS.

MARKET COMMENTARY

April proved no different than the first quarter as investors experienced another month full of news that started off with "Liberation Day" jolting global equity markets on April 2nd. The rapid news flow regarding U.S. tariffs following the announcement roiled markets, leading to pandemic-like selloffs in equity markets around the world. Despite the initial selloffs, global equities ended in positive territory. However, it did reverse the trend of the first quarter as growth outperformed value, especially in the U.S. Conversely, a trend that remained from earlier in the year was developed market countries and emerging markets outperforming U.S. equities. President Trump and his administration continue in disrupting the status quo, causing market volatility to spike as policy uncertainty increases. It is not surprising that in this environment, the largest country by weight, the U.S., is lagging the rest of the world. Given the large weight of the U.S. in global indices, the MSCI All Country World Index was up only 0.9% while other major regions were in positive territory. Emerging markets, though in positive territory, was among the weaker regions. The large China weighting pulled the index lower, as it was one of only a few countries in the index to post negative returns in the month for reasons we discuss later. Unlike last quarter, April started the second quarter with value lagging growth across regions as the MSCI World All Country World Value Index underperformed its growth counterpart by more than 400 basis points (bps) in U.S. dollar terms. However, outperformance for the year persists, as the MSCI All Country World Value Index is still ahead of the MSCI All Country World Growth Index by more than 750 bps year-to-date.

The big news in North America continues to be the ramifications of tariffs on the economies of the U.S., Canada, and Mexico. The nature, magnitude, and sectors under tariffs, along with corresponding exemptions, has damaged North American trade. As Canada and Mexico's share of U.S. trade declined, so too did U.S. economic data for consumer sentiment and GDP. The initial estimate of U.S. Q1 GDP came in at -0.3%, below consensus estimates of +0.2%. This was driven largely by a rush of imports to beat the tariffs toward the back end of the quarter. In fact, real net exports contributed -4.8% to the quarterly GDP number, which was partially offset by real inventories building (contributing +2.3%). While upcoming numbers could be distorted due to a pull forward of imports and spending to avoid potential future tariffs, uncertainty abounds as investors wait to see whether these numbers are part of a larger trend or merely outliers. The U.S. Federal Reserve (the Fed) maintained its pause for interest rate cuts. The April jobs number was solid at 177,000 jobs created, with labor force participation ticking up and the unemployment rate holding steady at 4.2%. The Trump administration's reduction in the federal workforce started showing up in numbers but remains lagged due to court challenges and buyout terms extending through September. Canada held elections during the month, and the Liberal party retained power as new Prime Minister Mark Carney was able to engineer a stunning comeback by portraying himself as the steady bulwark against President Trump.

The Trump administration kept up the maximum tariff pressure on Chinese goods by following up the 10% in January with an additional 34% reciprocal tariff, followed by an additional 75% in response to Chinese retaliation. Mixed with other tariffs, the rate on Chinese goods can be well over 100%, essentially halting trade and shipments to west coast ports. Given the highly punitive rate, there are discussions about lowering the rate, but nothing has materialized as of this writing. The recently announced tariffs on all Chinese products are getting close to a "worst case" scenario that, without policy offsets, could drag down GDP in China by up to 2.0% percentage points in 2025/2026. However, fiscal and monetary stimulus measures and moderate currency depreciation policies could potentially mitigate much of the impact as the central government continues to focus on delivering its growth targets. Since September 2024, the government has pivoted to support growth through moderately loose monetary policy, proactive fiscal policy to stabilize the property market, and measures to revive domestic consumption. Interestingly, the Chinese equity market had been strong in the face of tariffs prior to April, but the recently high tariffs rates contributed to the MSCI China Index falling more than 4% during the month, chipping away at gains that still stand above 10% for the year.

PORTFOLIO COMMENTARY

The Barrow Hanley Emerging Market Equity strategy performed in line with the MSCI Emerging Market Index, keeping up with the broad market despite style headwinds and comfortably outperforming the value index.

OUTLOOK

The persistent political changes across the globe continue to drive markets, with tariffs now topping the list. However, the long-term impacts are far from certain, as ideology will ultimately clash with political reality. The pace of change in equity markets mixed with high volatility from tariffs is a unique situation relative to previous market selloffs. In this case, all the negative news could change overnight if President Trump changes his mind on the direction of tariffs, which is what happened when he announced a 90 day pause. While that currently appears unlikely for China, the distribution of outcomes is significantly wider than initially expected. We continue to see a weakening of the U.S. dollar which has benefitted non-U.S. markets, especially emerging markets. As we have noted in prior commentaries, where the U.S. dollar goes from here will be important for risk assets. We believe the situation is contributing to what appears to be very attractive assets now outside of the U.S. Emerging markets as an asset class can also present a good hedge against any U.S. dollar weakness going forward, adding to the benefit of diversification. Despite the recent pause in rate reductions by the Fed, the new U.S. administration would welcome a weaker dollar to help U.S. exporters, though it remains to be seen how they will achieve this with the current backdrop of strong growth and higher interest rates. We believe improving fundamentals in emerging markets combined with decade-low valuation multiples continue to make this asset class a compelling investment opportunity. The portfolio continues to trade at a significant discount to the broad market, and we maintain high conviction in our current positioning.

MORE INFORMATION

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